

**TOWN OF CHESAPEAKE CITY**

**CHARTER AMENDMENT RESOLUTION NO. 4.12.2010.1**

**A Resolution of the Council of The Town  
of Chesapeake City to repeal and re-  
enact, with amendments, Charter Section  
26-58 pertaining to general obligation  
borrowings.**

A Resolution of the Council of The Town of Chesapeake City passed pursuant to the authority of Article XI-E of the Constitution of Maryland, as published in the Constitution of Maryland Article of the Annotated Code of Maryland (West 2002 and 2009 Cumulative Supplement), and Section 13 of Article 23A of the Annotated Code of Maryland (West 2002 and 2009 Cumulative Supplement), to amend the Charter of the Town of Chesapeake City (as published in Municipal Charters of Maryland, Volume 2, 2008 Replacement Edition, as amended to date), by repealing and re-enacting, with amendments, Section 26-58 of the Charter, for the purpose of authorizing The Town of Chesapeake City (the "Town") to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds, notes or other evidences of indebtedness (the "Obligations"); specifying that the Council shall authorize by ordinance (1) the maximum aggregate principal amount of any such Obligations to be issued; (2) the purpose(s) for which such Obligations shall be expended; (3) a pledge of the security for such Obligations and, if applicable, a statement that such Obligations shall be payable in the first instance from a specified source of revenue or provisions for the making of such statement by resolution; and (4) a requirement that prior to issuing any such Obligations the Council shall adopt a resolution regarding certain matters; providing that any such resolution shall contain, determine, approve or provide for various details regarding such Obligations, including (1) their designation, issue date, denomination(s), form(s) and tenor, (2) their rate(s) of interest (which may be fixed or variable or may be determined by a method approved or provided for); (3) their date(s) and amount(s) of maturity, denomination(s) and serial and/or term maturities; (4) whether they will be sold at public sale or by private (negotiated) sale; (5) their price(s), which may be at, above or below par value; (6) any desired redemption provisions, including how notice of redemption shall be given; (7) the manner of executing and sealing such Obligations; (8) any documents pursuant to which such Obligations are to be issued, offered or secured, including for the purpose of enhancing the marketability of or as security for such Obligations and for securing any tender option; and (9) such other provisions as the Council may determine necessary or desirable, including whether such Obligations shall be sold for cash or other valuable consideration or further providing for application of their proceeds; providing that any such resolution may be introduced and adopted at a single session and shall become effective immediately upon adoption; providing that the Council may instead by ordinance determine, approve or provide for the approval

of any of the matters specified as being determinable by resolution; providing for or authorizing the methods by which any such Obligations may be bid for in connection with the sale of the same by solicitation of competitive bids at public sale and the methods by which any notice of sale or summary thereof may be published or disseminated; providing that the power set forth in Charter Section 26-58 is additional and supplemental to any other applicable general obligation borrowing authority; providing that all such Obligations issued by the Town previous to the effective date of these Charter amendments, and all ordinances and resolutions passed concerning them, are declared to be valid, legal and binding and of full force and effect; generally relating to the issuance and terms of such Obligations; and providing the procedures to be followed for the effectiveness of the Charter amendments adopted by this Resolution; by repealing and re-enacting, with amendments, existing Charter Section 26-58 the Council is repealing the debt limitation on general obligation borrowings for capital improvements permitted to be authorized by resolution that is currently provided for in existing Charter Section 26-58.

NOW THEREFORE, BE IT RESOLVED, by the Council of The Town of Chesapeake City, that:

SECTION 1. Pursuant to the authority of Article XI-E of the Constitution of Maryland, as published in the Constitution of Maryland Article of the Annotated Code of Maryland (West 2002 and 2009 Cumulative Supplement), and Section 13 of Article 23A of the Annotated Code of Maryland (West 2002 and 2009 Cumulative Supplement), the Charter of the Town of Chesapeake City (as published in Municipal Charters of Maryland, Volume 2, 2008 Replacement Edition, as amended to date) be, and the same is hereby, amended by repealing Section 26-58 of the Charter in its entirety and by enacting a new Section 26-58 of the Charter to read as follows:

Section 26-58. General obligation borrowing.

(a) The town shall have the power to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds, notes or other evidences of indebtedness in the manner prescribed in this section.

(b) All general obligation bonds, notes or other evidences of indebtedness issued under the provisions of this section shall be authorized by an ordinance that shall contain: (1) a statement of the maximum aggregate principal amount of such obligations to be issued; (2) a statement of the purpose or purposes for which the proceeds of such obligations are to be expended; (3) a pledge of the security for such obligations and, if applicable, a statement that such obligations shall be payable in the first instance from a specified source of revenue or provisions for the making of such statement by resolution; and (4) a requirement that, subject to the provisions of subsection (d) below, prior to the issuance of any such obligations, the council shall adopt a resolution in accordance with the provisions of subsection (c) below.

(c) Prior to issuing any such obligations identified in subsection (b) above, the council shall adopt a resolution containing, determining or providing for the determination of, or approving or providing for the approval of: (1) the designation, date of issue, denomination or denominations, form or forms and tenor of such obligations; (2) the rate or rates of interest payable on such obligations (which may be fixed or variable or may be determined by a method approved or provided for); (3) the date or dates and amount or amounts of maturity, which may be in any denomination and which may be in serial and/or term maturities; (4) the manner of selling such obligations, which may be either at public sale after publication or dissemination of the notice of sale or by private (negotiated) sale without advertisement or solicitation of competitive bids; (5) the price or prices of such obligations, which may be at, above or below par

value; (6) any desired provisions relating to the redemption of such obligations prior to maturity (which may be at, above or below par value), and the manner of publishing or otherwise giving notice of such redemption; (7) the manner of executing and sealing such obligations, which may be by facsimile; (8) any documents pursuant to which such obligations are to be issued or secured, including, without limitation, agreements with banks, fiduciaries, insurers or others for the purpose of enhancing the marketability of or as security for such obligations and for securing any tender option granted to the holders thereof; and (9) such other provisions regarding the terms, conditions, issuance, sale, delivery and security of and for such obligations as the council may determine necessary or desirable, including, without limitation, whether such obligations shall be sold for cash or other valuable consideration or further specifying the purposes for which such obligations are to be expended (within the limitations set forth in the applicable ordinance).

By resolution the council may delegate to a specified official or officials the authority to approve any matters or make any determinations contemplated by this subsection (c). A resolution adopted pursuant to this subsection (c) may be introduced and adopted at a single session of the council and shall become effective immediately upon adoption or upon the date specified in such resolution.

(d) The council may, at its option, determine or provide for the determination of, or approve or provide for the approval of, any of the matters referenced in subsection (c) above by ordinance instead of by resolution.

(e) In connection with any sale of general obligation bonds, notes or other evidences of indebtedness by the solicitation of competitive bids at public sale, any such competitive bids may be delivered by electronic and/or facsimile means and/or by any other then-commercially reasonable manner for the sale of municipal obligations at competitive bid; and any notice of sale

may be published solely in summary form in a newspaper of general circulation in the town and/or in a generally recognized financial journal such as *The Bond Buyer*, or any notice of sale may be disseminated solely in electronic form and/or by any other then-commercially reasonable manner for the sale of municipal obligations, as determined by the council in accordance with the provisions of subsection (c) or subsection (d) above, as applicable.

(f) The power and obligation of the town to pay any and all general obligation bonds, notes or other evidences of indebtedness issued by it under the authority of this section shall be unlimited and the town shall levy ad valorem taxes upon all the taxable property in the town to the extent necessary to provide for the payment of such indebtedness and interest thereon, without limitation of amount. The full faith and credit and unlimited taxing power of the town is hereby pledged for the payment of the principal of and interest on all general obligation bonds, notes or other evidences of indebtedness issued under the authority of this section, whether or not such pledge be stated in such bonds, notes or other evidences of indebtedness or in any ordinance of the council authorizing their issuance.

(g) The power conferred on the town under this section shall be deemed to be additional and supplemental to any other general obligation borrowing authority granted to the town by Maryland public general or public local law, and the town may authorize, issue and secure any such general obligation debt in conformity with this Charter and/or any other applicable law.

(h) All general obligation bonds, notes or other evidences of indebtedness issued by the town previous to the effective date of this Charter, as amended, and all ordinances and resolutions passed concerning them, are hereby declared to be valid, legal and binding and of full force and effect as if herein fully set forth.

SECTION 2. The amendments to the Charter of the Town adopted by this Resolution shall become effective upon the fiftieth (50<sup>th</sup>) day after passage of this Resolution, unless a proper petition for referendum meeting the requirements of Section 13 of Article 23A of the Annotated Code of Maryland shall be presented or mailed to the Council in accordance with such Section 13 of Article 23A of the Annotated Code of Maryland on or before the fortieth (40<sup>th</sup>) day after passage of this Resolution. A complete and exact copy of this Resolution shall be posted at the town hall or other main municipal building or public place for a period of at least forty (40) days following its adoption, and the title to this Resolution, being a fair summary of the amendments to the Charter adopted hereby, shall be published in a newspaper of general circulation in the Town not less than four (4) times, at weekly intervals, within a period of forty (40) days after adoption of this Resolution.

SECTION 3. The Mayor shall send or cause to be sent to the Department of Legislative Services of the State of Maryland in accordance with the provisions of Sections 17(f) and 9A of Article 23A of the Annotated Code of Maryland, the following documents or information concerning the Charter amendment: (1) the complete text of this Resolution; (2) the date of the referendum election, if any, held with respect thereto; (3) the number of votes cast for or against this Resolution by the Council or in a referendum; and (4) the effective date of the Charter amendments.

SECTION 4. The Mayor is hereby authorized and directed to carry out or cause to be carried out the provisions of Sections 2 and 3 hereof; and as evidence of compliance herewith, the Mayor shall cause to be affixed to the minutes of the Council for the meeting at which this Resolution is adopted (1) a certificate to the effect that this Resolution was duly and properly posted as provided in Section 3 hereof, and (2) an appropriate certificate of publication in the

newspaper in which the fair summary of the Charter amendments shall have been published; provided that, the failure to so affix such items shall not invalidate the effectiveness of the Charter amendments provided for in this Resolution.

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INTRODUCED before the Council of The Town of Chesapeake City at a public meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2010.

ADOPTED by the Council of The Town of Chesapeake City at a public meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2010.

[SEAL]

ATTEST:

\_\_\_\_\_  
D. Valerie Walls, Clerk-Treasurer

\_\_\_\_\_  
Frank S. Hill, Mayor

Votes of the Council:

\_\_\_\_\_ votes in favor of the Resolution

\_\_\_\_\_ votes opposing the Resolution

Effective: \_\_\_\_\_, 2010

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